



GVNW CONSULTING, INC.

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TUALATIN, OR 97062
TEL 503.612.4400
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www.gvnw.com

October 8, 2013

VIA FedEx and ECFS

Marlene H. Dortch, Secretary
Federal Communication Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission.
Form 481 – Carrier Annual Reporting Data Collection, 2013

Dear Ms. Dortch:

On behalf of Lincoln County Telephone System, Inc. "LCTS," GVNW Consulting, Inc. hereby submits the enclosed redacted and confidential versions of its "FCC Form 481 – Carrier Annual Reporting Data Collection" information pursuant to sections 54.313 and 54.422 of the Commission's rules as filed with the Nevada state commission and Universal Service Administrative Company

LCTS requests confidential treatment under the Protective Order adopted in this proceeding for the section 54.313(f)(2) financial information included in this report on the grounds that it is competitively sensitive information which could be used to disadvantage or harm LCTS.

In accordance with the Protective Order, two redacted copies marked "REDACTED – FOR PUBLIC INSPECTION" and one non redacted confidential version marked "CONFIDENTIAL – NOT FOR PUBLIC INSPECTION" are being filed with the Commission. A redacted copy has also been filed via the Electronic Comment Filing System.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Shaw", is written over a circular stamp. The stamp contains the text "Ken Shaw" and "Authorized Representative for Lincoln County Telephone System, Inc." in a circular arrangement.

Ken Shaw
Authorized Representative for Lincoln County Telephone System, Inc.

Enclosures

cc: Mr. Charles Tyler, FCC Telecommunications Access Policy Division (confidential only)
Mr. John W. Christian III, Lincoln County Telephone System, Inc.

**FCC Form 481 - Carrier Annual Reporting
Data Collection Form**

 FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	552351
<015> Study Area Name	LINCOLN CTY TEL SYS
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	JOHN CHRISTIAN
<035> Contact Telephone Number: Number of the person identified in data line <030>	775.962.5131
<039> Contact Email Address: Email of the person identified in data line <030>	sixgun@lcturbonet.com

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
		(check box when complete)	
<100> Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> ← check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310> Detail on Attempts (voice)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330> Detail on Attempts (broadband)	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0		
<420> Mobile	0.0		
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440> Fixed			
<450> Mobile			
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 552351-NV-LINE510	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 552351-NV-LINE610	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010> <input type="checkbox"/>	(attach descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<2005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**REDACTED
FOR PUBLIC INSPECTION**

**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	552351
<015>	Study Area Name	LINCOLN CTY TEL SYS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035>	Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@cturbonet.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

(200) Service Outage Reporting (Voice)
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code 552351

<015>	Study Area Name	LINCOLN CTY TEL SYS
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<020>	Program Year	2014
-------	--------------	------

<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
-------	---------------------------------------------------------------	----------------

<035> Contact Telephone Number - Number of person identified in data line <030> 775.962.5131

<039> Contact Email Address - Email Address of person identified in data line <030> sixgun@lcturbonet.com

[illegible]

(700) Price Offerings including Voice Rate Data
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010> Study Area Code	552351
-----------------------	--------

<015> Study Area Name LINCOLN CTY TEL SYS

<020> Program Year	2014
--------------------	------

<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
-------	---------------------------------------------------------------	----------------

<035>	Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
--------------------	----------------------------------------------------------------------------------------	---------------------

<039> Contact Email Address - Email Address of person identified in data line <030> sixgun@lcturbonet.com

<701> Residential Local Service Charge Effective Date	1/1/2013
-------------------------------------------------------	----------

<702> Single State-wide Residential Local Service Charge

1/1/2013

[illegible]

**(710) Broadband Price Offerings
Data Collection Form**

FCC Form 481

OMB Control No 3060-0986/OMB Control No 3060-0819

July 2013

<010>	Study Area Code	552351
<015>	Study Area Name	LINCOLN CTY TEL SYS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035>	Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@cturbonet.com

[illegible]

(800) Operating Companies Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
-----------------------------------------------------------------	-------------------------------------------------------------------------------------------------------

<010>	Study Area Code	552351
<015>	Study Area Name	LINCOLN CTY TEL SYS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035>	Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com
<810>	Reporting Carrier	LINCOLN COUNTY TELEPHONE SYSTEM, INC.
<811>	Holding Company	Lincoln Communications, Inc.
<812>	Operating Company	Lincoln County Telephone System, Inc.

[illegible]

**(900) Tribal Lands Reporting
Data Collection Form**

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	552351
<015>	Study Area Name	LINCOLN CTY TEL SYS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035>	Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com
<910>	Tribal Land(s) on which ETC Serves	

<920> Tribal Government Engagement Obligation

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921>** Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922>** Feasibility and sustainability planning;
- <923>** Marketing services in a culturally sensitive manner;
- <924>** Compliance with Rights of way processes
- <925>** Compliance with Land Use permitting requirements
- <926>** Compliance with Facilities Siting rules
- <927>** Compliance with Environmental Review processes
- <928>** Compliance with Cultural Preservation review processes
- <929>** Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	552351
<015>	Study Area Name	LINCOLN CTY TEL SYS
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<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
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<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers
Lifeline
Data Collection Form

FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010>	Study Area Code	552351
<015>	Study Area Name	LINCOLN CTY TEL SYS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035>	Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

552351-NV-LINE1210

Name of attached document (.pdf)

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}
 <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}

☐
☐
Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification
 <2013> 2014 Frozen Support Certification
 <2014> 2015 Frozen Support Certification
 <2015> 2016 and future Frozen Support Certification

☐
☐
☐
☐
Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband

☐
Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification
 <2018> 5th year Broadband Service Certification
 <2019> Interim Progress Certification
 <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.
 <2021> Interim Progress Community Anchor Institutions

☐
☐
☐
☐

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	552351
<015>	Study Area Name	LINCOLN CTY TEL SYS
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035>	Contact Telephone Number - Number of person identified in data line <030>	775 . 962 . 5131
<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

Progress Report on 5 Year Plan

<p>(3010) Milestone Certification (47 CFR § 54.313(f)(1)(i)) Please check this box to confirm that the attached PDF, on line 3012, contains the required information pursuant to § 54.313 (f)(1)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.</p>	<p>Name of Attached Document Listing Required Information</p> <div style="border: 1px solid black; width: 100px; height: 15px; margin-top: 5px;"></div>
<p>(3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii)) (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2)) (3014) If yes, does your company file the RUS annual report Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires: (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) (3016) PDF of Balance Sheet, Income Statement and Statement of Cash Flows (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation (3018) If the response is no on line 3014, is your company audited? If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications (3020) PDF of Balance Sheet, Income Statement and Statement of Cash Flows (3021) Management letter issued by the independent certified public accountant that performed the company's financial audit. If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains: (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, (3023) Underlying information subjected to a review by an independent certified public accountant (3024) Underlying information subjected to an officer certification. (3025) PDF of Balance Sheet, Income Statement and Statement of Cash Flows (3026) Attach the worksheet listing required information</p>	<p>Name of Attached Document Listing Required Information</p> <div style="margin-top: 5px;"> <input checked="" type="checkbox"/> (Yes/No) <input checked="" type="checkbox"/> (Yes/No) </div> <div style="margin-top: 10px;"> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> </div> <p style="margin-top: 10px;">552351-NV-LINE3017</p> <p>Name of Attached Document Listing Required Information</p> <div style="margin-top: 5px;"> <input type="checkbox"/> (Yes/No) </div> <div style="margin-top: 10px;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </div> <div style="margin-top: 10px;"> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> </div> <p>Name of Attached Document Listing Required Information</p>

**Certification - Reporting Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

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<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	LINCOLN CTY TEL SYS
Signature of Authorized Officer:	CERTIFIED ONLINE
	Date 10/08/2013
Printed name of Authorized Officer:	John Christian
Title or position of Authorized Officer:	President
Telephone number of Authorized Officer:	775-962-5131
Study Area Code of Reporting Carrier:	552351
	Filing Due Date for this form: 10/15/2013
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0986/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	552351
<015> Study Area Name	LINCOLN CTY TEL SYS
<020> Program Year	2014
<030> Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035> Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
<039> Contact Email Address - Email Address of person identified in data line <030>	sixgun@lcturbonet.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

**(800) Operating Companies
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

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<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	JOHN CHRISTIAN
<035>	Contact Telephone Number - Number of person identified in data line <030>	775.962.5131
<039>	Contact Email Address - Email Address of person identified in data line <030>	sixgun@cturbonet.com

LINCOLN COUNTY TELEPHONE SYSTEM, INC.

<811>	Holding Company	Lincoln Communications, Inc.
-------	-----------------	------------------------------

<812>	Operating Company	Lincoln County Telephone System, Inc.
-------	-------------------	---------------------------------------

<813>	<a1>	<a2>	<a3>
	Affiliates	SAC	Doing Business As Company or Brand Designation

LC TURBONET

552351

DBA

Attachment

552351-NV-LINE510

Service Quality Standards & Consumer Protection Rules Compliance

Lincoln County Telephone Sys, Inc.

FCC 481

(500) Service Quality Standards & Consumer Protection Rules Compliance

Voice

Consumer Protection

Lincoln County Telephone Sys, Inc. complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality Standards

There is no service standard established by the Public Utilities Commission of Nevada. Lincoln County Telephone Sys, Inc. is committed to providing the highest quality service to its subscribers.

Attachment

552351-NV-LINE610

Functionality in Emergency Situations

Lincoln County Telephone Sys, Inc.
FCC 481

(600) Functionality in Emergency Situations

Back-up Power

Lincoln County Telephone System, Inc. has the following back-up power capabilities:

<u>Central Office</u>	<u>Switch</u>	<u>Battery Life</u>	<u>Generator</u>	<u>Fuel Type</u>	<u>Fuel Capacity</u>
Lake Valley	Remote	8 Hours	Fixed	Propane	500 Gallons
Pioche	Host	8 Hours	Fixed	Diesel	200 Gallons
Panaca	Remote	8 Hours	Fixed	Diesel	500 Gallons
Caliente	Remote	8 Hours	Fixed	Diesel	500 Gallons
Alamo	Remote	8 Hours	Fixed	Diesel	100 Gallons
Sand Springs	Remote	8 Hours	Fixed	Propane	500 Gallons

Subscriber carrier:

RSC/48	8 Hours	Portable	Diesel	100 Gallons
RSC/120	8 Hours	Portable	Diesel	100 Gallons
SIERRA200	8 Hours	Portable	Diesel	100 Gallons

Network Interface Devices (NIDs)

Lincoln County Telephone System, Inc. has 2251 customers with metallic (copper) connections to the Central Office and their NIDs are powered from the Central Office.

Lincoln County Telephone System, Inc. has 33 customers with non-metallic (fiber optic) connections to the Central Office. These customers' NIDs are battery powered in case of emergency. The batteries are rated to last 8 hours with no use and 4 hours with constant use.

Ability to reroute traffic around damaged facilities:

Lincoln County Telephone System, Inc. has two middle mile connection points one with AT&T Nevada (established 1966) and the other with Moapa Valley Telephone (established 1996). These fiber facilities are used to transport Voice and Data from our service area to the world. The Voice and Data network used to transport traffic within our service area utilizes fiber to connect the Pioche, Panaca, Caliente, Alamo and Coyote Springs exchanges. The Sand Springs and Lake Valley exchanges are connected by digital microwave. Because there are less than 50 customers in these two exchanges no redundant facilities are planned. Currently there are copper cable facilities between Pioche, Panaca and Caliente. This cable is used to provide redundant T1's for the Voice network. Our 2013 plans call for a new fiber route between Panaca and Caliente that will be used for local service and will provide redundant interexchange services. Future plans include a SONET ring from our Caliente office that would connect to the Alamo central office via Coyote Springs providing redundant capacity between our exchanges and out to the world.

Lincoln County Telephone Sys, Inc.

FCC 481

(600) Functionality in Emergency Situations

Capability to manage traffic spikes resulting from emergency situations

Lincoln County Telephone System, Inc. has 2,284 customers, switching capacity of 40,000 simultaneous calls, and transport capacity for 192 simultaneous calls. In an emergency an additional transport capacity of 672 simultaneous calls could be installed. Lincoln County Telephone System, Inc. takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations.

Attachment

552351-NV-LINE1210

Terms & Conditions of Voice Telephony Lifeline Plans

Tariff No. 1A

SCHEDULE NO. A-3

LIFELINE SERVICE

A. Description

Applicable to qualifying low-income, one-party residence customers of the Utility who meet the eligibility criteria established by the Federal Communications Commission's Rule 54.409(b).

B. Conditions

1. An applicant must meet all of the following criteria in order to be eligible for Lifeline Service:

- a. The customer's total household gross income does not exceed 150% of the federally established poverty levels set forth for the number of persons in that customer's household as updated. The applicant must provide documentation of income, or that a member of the household receives, or is eligible to receive, benefits from a public program.
- b. The customer must provide documentation which demonstrates the total household gross income of the applicant includes:
 - (1) Most recent federal or tribal tax return; or
 - (2) Three consecutive months of all income statements for applicant's household within the same calendar year. Such income statements include all forms of income pursuant to 47 C.F.R. 54.400(f); or
 - (3) Documentation which proves that the customer receives benefit from one or more of the eligible public programs listed below.
- c. Eligible public programs include one or more of the following programs:
 - (1) Medicaid;
 - (2) Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps; (T)
 - (3) Supplemental Security Income;
 - (4) Federal Public Housing Assistance;
 - (5) Low-Income Home Energy Assistance Program;
 - (6) Temporary Assistance to Needy Families; or
 - (7) National School Lunch Free Lunch Program.

Issued: October 1, 2010

Issued By:

Effective: January 1, 2011

John W. Christian III

Advice No.: 8

President



SCHEDULE NO. A-3

LIFELINE SERVICE

B. Conditions – (Cont'd)

1. (Cont'd)

d. The customer must sign, under penalty of perjury, a document certifying the following before the customer can receive Lifeline Service:

- (1) The customer meets the criteria in B.1.a., b., and c., above.
- (2) That the customer will notify the Utility when they no longer participate in the program or programs.

e. The residence premises at which the residence service is requested is the applicant's principal place of residence.

f. There is only one telephone line serving the residence premises. The residence premises household (dwelling unit) shall consist of that portion of an individual house or building or one flat or apartment occupied by a single family or individuals functioning as one domestic establishment.

2. Lifeline Service will not be furnished on a Foreign Exchange basis.

3. A customer who is eligible for the lifeline program, but has unpaid toll charges, shall be enrolled if the customer agrees to toll blocking and to set up a payment arrangement for the unpaid toll balance. To reestablish toll service, the customer must pay any outstanding toll bill in full. (C)

4. Toll blocking will be available at no charge. If the customer chooses toll blocking the Utility will not charge a deposit.

5. (D)

6. The FCC End User Common Line Charge does not apply.

7. This service is also offered in compliance with NAC 704.680474.

8. In order to verify a customer's continued eligibility through income documentation, the Utility shall contact those customers on an annual basis to determine whether or not the customers are still eligible to receive Lifeline services. All customers that do not provide documentation pursuant to Conditions B.1. demonstrating their continued eligibility within 60 days will have their telephone service switched to the full rate. (C)

Issued: March 2, 2012

Issued By:

Effective:

John W. Christian III

Advice No.: 11

President



Tariff No. 1A

SCHEDULE NO. A-3

LIFELINE SERVICE

B. Conditions – (Cont'd)

9. In order to verify a customer's continued eligibility through the public program participation, the Utility shall review the list of customers provided by the Department of Human Resources who are eligible to receive Lifeline services. Each carrier shall contact those customers no longer appearing on the list to determine whether or not the customers are still eligible to receive Lifeline services. All customers that do not provide documentation pursuant to Conditions B.1. demonstrating their continued eligibility within 60 days will have their telephone service switched to the full rate.

C. Rates

	Rate Per Month	
1. Federal and State Lifeline Credits for a One-Party Line: *		(T)
a. Federal Lifeline Support Credit	\$9.25	(C)
(includes Federal End User Common Line Credit of \$6.50 and remainder \$2.75 credit covers basic service)		(C)
b. State Lifeline Support Credit	3.50	(D)
2. Federal End User Common Line Charge	No Charge	(T)
(This charge is waived to qualified customers)		(D)
* The following services are included:		(T)
One party, voice grade access to the public switched network; a standard white page listing, access to emergency services (e.g., 911, E911), touch calling, access to operator services, access to interexchange services, unless toll blocking is provided; access to directory assistance; and Toll blocking.		

Issued: March 2, 2012

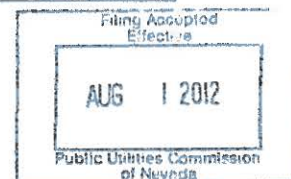
Issued By:

Effective:

John W. Christian III

Advice No.: 11

President



54.313 Lifeline Customers MOU and Additional Toll Charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every LCTS subscriber, are free to choose their own toll usage plans through IXC's that serve LCTS.

Attachment

552351-NV-LINE3017

RUS Annual Report

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0472-0047. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

USDA-RUS OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		This data will be used by RUS to review your financial situation. This response is required by 7 CFR 101.113 and subject to federal laws and regulations regarding confidential information. It will be treated as confidential. BORROWER NAME Lincoln County Telephone System, Inc. (Prepared with Audited Data)			
INSTRUCTIONS: Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2012	BORROWER DESIGNATION RV0501		
CERTIFICATION We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES. DURING THE PERIOD COVERED BY THIS REPORT FORM AND TO PART 1788 OF 7 CFR CHAPTER XVII (Check one of the following)					
<input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.					
<input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Set default(s) in the space(s) described in the Telecom Operating Report.					
John Christian		3/28/2013 DATE			
PART A. BALANCE SHEET					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Accounts Receivable			27. Advance Deposits and Payments		
a. Telecom Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur, Dev		
4. Non-Affiliates			31. Current Mat.-Capital Leases		
a. Telecom Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			LONG-TERM DEBT		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTS Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 thru 9)			39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Required Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom Plant-In-Service			51. Cap. Stock Outstanding & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adv., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = 71.48% of Total Assets

Page 1 of 6

Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission.

**REDACTED
FOR PUBLIC INSPECTION**

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		NV0501	
		PERIOD ENDING	
INSTRUCTIONS- See RUS Bulletin 1744-2		December, 2012	
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 7]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			

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Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission.

**REDACTED
FOR PUBLIC INSPECTION**

USDA-RUS		BORROWER DESIGNATION NV0501	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		PERIOD ENDED December, 2012	
INSTRUCTIONS - See help in the online application.			
PART I - STATEMENT OF CASH FLOWS			
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)			
CASH FLOWS FROM OPERATING ACTIVITIES			
2. Net Income			
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities			
3. Add: Depreciation			
4. Add: Amortization			
5. Other (Explain)			
Changes in Operating Assets and Liabilities			
6. Decrease/(Increase) in Accounts Receivable			
7. Decrease/(Increase) in Materials and Inventory			
8. Decrease/(Increase) in Prepayments and Deferred Charges			
9. Decrease/(Increase) in Other Current Assets			
10. Increase/(Decrease) in Accounts Payable			
11. Increase/(Decrease) in Advance Billings & Payments			
12. Increase/(Decrease) in Other Current Liabilities			
13. Net Cash Provided/(Used) by Operations			
CASH FLOWS FROM FINANCING ACTIVITIES			
14. Decrease/(Increase) in Notes Receivable			
15. Increase/(Decrease) in Notes Payable			
16. Increase/(Decrease) in Customer Deposits			
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)			
18. Increase/(Decrease) in Other Liabilities & Deferred Credits			
19. Increase/(Decrease) in Capital Stock, Paid-In Capital, Membership and Capital Certificates & Other Capital			
20. Less: Payment of Dividends			
21. Less: Patronage Capital Credits Retired			
22. Other (Explain)			
23. Net Cash Provided/(Used) by Financing Activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
24. Net Capital Expenditures (Property, Plant & Equipment)			
25. Other Long-Term Investments			
26. Other Noncurrent Assets & Jurisdictional Differences			
27. Other (Explain) Taxes, Retirements, Transfers			
28. Net Cash Provided/(Used) by Investing Activities			
29. Net Increase/(Decrease) in Cash			
30. Ending Cash			

Revision Date 2010

Confidential Financial Information Subject to Protective Order in WC Docket Nos. 10-90, 07-135, 05-337, 03-109, CC Docket Nos. 01-92, 96-45, GN Docket No. 09-51, WT Docket No. 10-208, Before the Federal Communications Commission.

**REDACTED
FOR PUBLIC INSPECTION**

INDEPENDENT AUDITOR'S RUS MANAGEMENT LETTER

To the Board of Directors
Lincoln County Telephone System, Inc.

We have audited the financial statements of Lincoln County Telephone System, Inc. (the Company) for the year ended December 31, 2012, and have issued our report thereon dated April 16, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 7 CFR Part 1773, Policy on Audits of Rural Utilities Service (RUS) Borrowers. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements.

In planning and performing our audit of the financial statements of Lincoln County Telephone System, Inc. for the year ended December 31, 2012, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Section 1773.33 requires comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters. We have grouped our comments accordingly. In addition to obtaining reasonable assurance about whether the financial statements are free from material misstatements, at your request, we performed tests of specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and of additional matters. The specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and additional matters tested include, among other things, the accounting procedures and records, materials control, compliance with specific RUS loan and security instrument provisions set forth in 7 CFR Part 1773.33(e)(2), and related party transactions and investments. In addition, our audit of the financial statements also included the procedures specified in 7 CFR Part 1773.38-45. Our objective was not to provide an opinion on these specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, or additional matters, and accordingly, we express no opinion thereon.

No reports (other than our independent auditor's report and our independent auditor's report on compliance and on internal control over financial reporting, all dated April 16, 2013) or summary of recommendations related to our audit have been furnished to management.

Our comments on specific aspects of the internal control over financial reporting, compliance with specific RUS loan and security instrument provisions, and other additional matters as required by 7 CFR Part 1773.33 are presented below.

COMMENTS ON CERTAIN SPECIFIC ASPECTS OF THE INTERNAL CONTROL OVER FINANCIAL REPORTING

We noted no matter regarding Lincoln County Telephone System, Inc.'s internal control over financial reporting and its operation that we consider to be a material weakness as previously defined with respect to:

- The accounting procedures and records;
- The process for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts; and
- The materials control.

**COMMENTS ON COMPLIANCE WITH SPECIFIC RUS LOAN AND
SECURITY INSTRUMENT PROVISIONS**

At your request, we have performed the procedures enumerated below with respect to compliance with certain provisions of laws, regulations, contracts, and grants. The procedures we performed are summarized as follows:

- Procedures performed with respect to the requirement for a borrower to obtain written approval of the mortgagee to enter into any contract, agreement, or lease between the borrower and an affiliate of Lincoln County Telephone System, Inc. for the year ended December 31, 2012:
 - Obtained and read a borrower-prepared schedule of new written contracts, agreements, or leases entered into during the year between the borrower and an affiliate as defined in Part 1773.33(e)(2)(i).
 - Reviewed Board of Director minutes to ascertain whether board-approved written contracts are included in the borrower-prepared schedule.
 - Noted the existence of written RUS approval of each contract listed by the borrower.
- Procedure performed with respect to the requirement to submit *RUS Operating Report for Telecommunications Borrowers* to the RUS:
 - Agree amounts reported in the *RUS Operating Report for Telecommunications Borrowers* to Lincoln County Telephone System, Inc.'s records.

The results of our tests indicate that, with respect to the items tested, Lincoln County Telephone System, Inc. complied, in all material respects, with the specific RUS loan and security instrument provisions referred to below. The specific provisions tested include the requirements that:

- The borrower has obtained written approval of the RUS to enter into any contract, agreement, or lease with an affiliate defined in Part 1773.33(e)(2)(i); and
 - Procedures did not indicate any new written contracts, agreements, or leases entered into during the year between the borrower and an affiliate.
- The borrower has submitted its *Operating Report for Telecommunications Borrowers* to the RUS; and the *Operating Report for Telecommunications Borrowers*, as of December 31, 2012, represented by the borrower as having been submitted to the RUS, is in agreement with Lincoln County Telephone System, Inc.'s audited records in all material respects.

COMMENTS ON OTHER ADDITIONAL MATTERS

In connection with our audit of the financial statements of Lincoln County Telephone System, Inc., nothing came to our attention that caused us to believe that Lincoln County Telephone System, Inc. failed to comply with respect to:

- The reconciliation of continuing property records to the controlling general ledger plant accounts addressed at 7 CFR Part 1773.33(c)(1);
- The clearing of construction accounts and the accrual of depreciation on completed construction addressed at 7 CFR Part 1773.33(c)(2);
- The retirement of plant addressed at 7 CFR Parts 1773.33(c)(3) and (4);
- The approval of the sale, lease, or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap addressed at 7 CFR Part 1773.33(c)(5);
- The disclosure of material related party transactions, in accordance with Statement of Financial Accounting Standards No. 57, *Related Party Transactions*, for the year ended December 31, 2012, in the financial statements referenced in the first paragraph of this report addressed at 7 CFR Part 1773.33(e); and
- The detailed schedule of investments.
 - There were no investments in affiliated companies.

This report is intended solely for the information and use of the Board of Directors, management, RUS, and supplemental lenders, and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams CP

Stockton, California
April 16, 2013